

**REARDAN-EDWALL SCHOOL DISTRICT No. 9**  
**Lincoln County, Washington**  
**September 1, 1994 Through August 31, 1995**

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**Schedule Of Findings**

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1. Internal Controls Should Be Strengthened Over Associated Student Body Cash Receipting

The following internal control weaknesses were noted in our review of the Associated Student Body Fund (ASB) cash receipting activities.

- a. High school ASB concessions lacked procedures, such as by tracking inventory or using cash registers, to determine expected revenues. Without such procedures, the district had no figure to compare actual receipts to or to ensure the receipts were deposited intact.
- b. High school athletic events also lacked procedures, such as issuing and accounting for tickets to determine expected revenues.
- c. The high school ASB central treasurer did not always count cash and issue receipts at the time cash was received.

Inadequate internal controls increase the potential for errors, loss, and/or misappropriation to occur and not be detected. Weak controls also make it difficult to find errors or to fix responsibility when losses or fraud occurs.

Section III-G-1 of the *Accounting Manual for Public School Districts in the State of Washington* states in part:

An internal control system . . . (should) ensures that resource use is consistent with law, regulation, and policy; that resources are guarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

We recommend that district officials strengthen the internal controls governing cash receipting within the Associated Student Body Fund.